

Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability

July 23, 2021

Aida Camacho-Welch
Office of the Secretary
NJ Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350

**Re: In the Matter of the New Jersey Board of Public Utilities Response to the COVID-19 Pandemic
Docket No. AO20060471**

Dear Secretary Camacho-Welch:

Pursuant to the Board's Order dated July 2, 2020 in the above reference matters, enclosed please find South Jersey Gas Company's Quarterly Report for period ending June 2021. The Company reserves its rights to adjust the cost/savings categories in the future to address evolving pandemic conditions as they arise.

Due to the pandemic, and in accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and May 20, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being provided at this time, but can be provided at a later time, if needed.

Please do not hesitate to contact me, should you have any questions.

Respectfully,



Deborah M. Franco

DF:caj/fl14
Attachments

cc: Brian Lipman
Stacy Peterson
Bob Brabston
Stefanie Brand

Paul Lupo
John Houseman
Dominick DiRocco

**South Jersey Gas Company
Estimated COVID impact
As of June 2021
Incremental Costs/(Savings)***

Description	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Total
Uncollectible Expense	754,841	(193,498)	(45,693)	126,052	233,428	173,295	2,682,614	(189,058)	550,499	752,689	891,105	907,467	395,140	132,298	211,169	(566,548)	6,815,800
Masks and cleaning supplies, temperature screening services			90,047		23,083	48,860	17,990	22,912	9,141	12,734	10,119	6,287	7,361	13,508	9,666	5,879	277,587
Hazard pay			104,000														104,000
Legal advice							2,131										2,131
Safety signs						9,170											9,170
Mileage reimbursement			2,234		4,903	1,447	1,465	1,456	951	(958)	276		4,331	1,900	637	1,482	20,124
Total Incremental Costs	754,841	(193,498)	150,588	126,052	261,414	232,772	2,704,200	(164,690)	560,591	764,465	901,500	913,754	406,832	147,706	221,472	(559,187)	7,228,812
Conferences/Travel Expenses	14,261	11,359	14,533	14,533	7,693	17,713	26,089	16,023	8,985	19,584	10,336	14,506	23,462	17,286	29,115	23,118	268,596
Utilities Shared Services Contractor Expense	2,825	6,578	8,573		2,163					9,038	9,208					9,475	48,860
ACHQ Café shutdown		8,000	8,000	8,000	8,000	8,000	8,000	10,000	10,000	10,000	10,000	11,000	10,000	10,000	10,000	12,000	139,000
ACHQ reduced cleaning & plant maintenance cost		8,000	8,000	8,000	8,000	8,000	5,000	5,000	9,000	7,000	7,000	7,000	7,000	6,000	6,000	5,000	104,000
ACHQ reduced staffing (contractor)							1,500	1,500	2,500	1,500	1,500	1,500	1,500	1,500	1,800	1,500	16,300
ACHQ reduced exterior landscaping services							2,500	2,500	500	2,000	2,000	1,500	1,500	1,500	1,600	1,500	17,100
ACHQ holiday decorations										12,000							12,000
Fuel Cost Savings (net of capitalized portion)	9,070	9,965	11,939	733	8,290	7,541	10,426	10,426	(18,186)		1,921					5,907	58,032
CARES Act Employee Retention Credit																	66,652
Total Savings	26,156	43,902	51,045	31,266	31,983	44,417	53,515	43,449	12,799	127,774	41,965	34,506	44,462	36,286	48,515	58,500	730,540
Total Baseline Impact	728,685	(237,400)	99,543	94,786	229,431	188,355	2,650,685	(208,139)	547,792	636,691	859,535	879,248	362,370	111,420	172,957	(617,687)	6,498,272
Monthly Carrying Cost	1,166	(276)	86	64	88	57	620	(35)	91	108	138	132	54	17	25	(91)	2,245
Compounded Carrying Cost	848	428	403	403	264	280	259	626	589	694	760	840	972	1,026	1,015	1,054	10,057
Total Carrying Cost	1,166	572	514	468	352	337	879	592	680	802	898	971	1,026	1,043	1,040	963	12,302
STD interest rate	1.92%	1.40%	1.04%	0.82%	0.46%	0.37%	0.28%	0.20%	0.20%	0.20%	0.19%	0.18%	0.18%	0.18%	0.18%	0.18%	
Total Deferral	\$729,851	(\$236,827)	\$100,057	\$95,254	\$229,783	\$188,692	\$2,651,564	(\$207,547)	\$548,472	\$637,493	\$860,433	\$880,219	\$363,396	\$112,463	\$173,997	(\$616,724)	\$6,510,574
Cumulative deferral	\$729,851	\$493,024	\$593,081	\$688,334	\$918,117	\$1,106,809	\$3,758,373	\$3,550,826	\$4,099,297	\$4,736,790	\$5,597,223	\$6,477,442	\$6,840,838	\$6,953,301	\$7,127,298	\$6,510,574	

*The Company reserves its rights to adjust the cost/savings categories in the future to address evolving pandemic conditions as they arise.

South Jersey Gas Company
AR Reserve Analysis - 2017 - 2021
Uncollectible History

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Total Expense per G/L	37,747	84,878	1,039,042	177,221	652,823	691,311	343,908	233,642	1,913,056	384,078	690,779	728,361

Adjustment for change in allowance methodology during Jan & Feb 2020
(Resulted in expensing ~\$2.6M vs. ~\$5M normally). Previously only write-offs were recorded on non-quarter months

3 Year Average Expense

COVID Impact

South Jersey Gas Company
AR Reserve Analysis - 2017 - 2021
Uncollectible History

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Total Expense per G/L	281,154	368,952	915,226	495,465	1,045,824	(222,154)	590,895	690,949	2,109,966	981,323	946,115	(287,380)

Adjustment for change in allowance methodology during Jan & Feb 2020
(Resulted in expensing ~\$2.6M vs. ~\$5M normally). Previously only write-offs were recorded on non-quarter months

3 Year Average Expense

COVID Impact

South Jersey Gas Company
AR Reserve Analysis - 2017 - 2021
Uncollectible History

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Total Expense per G/L	245,762	469,894	677,872	423,476	683,673	412,348	972,728	711,341	1,569,087	654,589	674,990	(313,814)

Adjustment for change in allowance methodology during Jan & Feb 2020
(Resulted in expensing ~\$2.6M vs. ~\$5M normally). Previously only write-offs were recorded on non-quarter months

3 Year Average Expense
COVID Impact

South Jersey Gas Company
AR Reserve Analysis - 2017 - 2021
Uncollectible History

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Total	
Total Expense per G/L	1,468,414	1,154,501	(758,747)	419,700	567,505	739,250	846,626	786,493	3,295,812	424,140	1,163,697	1,365,887	1,504,303	1,520,665	1,008,338	745,496	824,367	46,650	14,500,182	
Adjustment for change in allowance methodology during Jan & Feb 2020 (Resulted in expensing ~\$2.6M vs. ~\$5M normally). Previously only write-offs were recorded on non-quarter months			2,126,786																2,126,786	
3 Year Average Expense			613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	9,811,168
COVID Impact			754,841	(193,498)	(45,693)	126,052	233,428	173,295	2,682,614	(189,058)	550,499	752,689	891,105	907,467	395,140	132,298	211,169	(566,548)	6,815,800	

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**I/M/O New Jersey Board of Public Utilities
Response to the COVID-19 Pandemic**

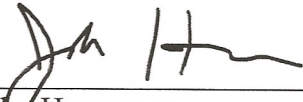
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BPU Docket No. AO20060471

**VERIFICATION
JOHN HOUSEMAN**

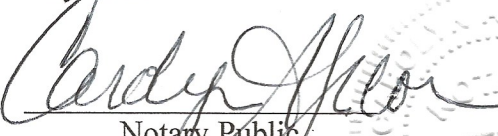
John Houseman, upon his oath, deposes and says:

1. I am of full age. I am Director, Accounting, of South Jersey Industries (“SJI”). SJI is the parent company of South Gas Company (“SJG”), a regulatory public utility in the State of New Jersey (SJI and SJG collectively referred to hereafter as the “Company”).
2. I offer this verification in support of the Company’s compliance with the New Jersey Board of Public Utilities’ COVID-19 Pandemic Order in BPU Docket No. AO16030196 (the “Order”).
3. The Company has met the requirements contained in the Order as of June 30, 2021.

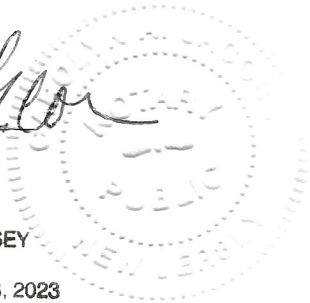


John Houseman
Director

Sworn to and subscribed
before me this 23rd day of
July 2021



Notary Public
CAROLYN A. JACOBS



NOTARY PUBLIC OF NEW JERSEY

My Commission Expires October 28, 2023